

ORDER NO. 4051

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Inbound EMS 2 (MC2009-10)

Docket No. CP2017-271

NOTICE AND ORDER CONCERNING CHANGES IN RATES FOR INBOUND EMS 2

(Issued August 17, 2017)

I. INTRODUCTION

On August 16, 2017, the Postal Service filed notice pursuant to 39 CFR 3015.5, announcing its intention to change rates not of general applicability for Inbound EMS 2 effective January 1, 2018.¹

II. NOTICE

To support its proposed EMS 2 prices and related requests, the Postal Service filed a redacted version of the proposed prices; a copy of the certification required under 39 CFR 3015.5(c)(2); a redacted copy of Governors' Decision No. 11-6; a redacted

¹ Notice of the United States Postal Service of Filing Changes in Rates not of General Applicability for Inbound EMS 2, and Application for Non-Public Treatment, August 16, 2017 (Notice).

copy of the annual EMS Pay-for-Performance (PfP) Plan for 2017; and redacted copies of the PfP Report Cards for Calendar Year (CY) 2016 and for the first two quarters of CY 2017. Notice at 2-3. The Postal Service also filed unredacted copies of Governors' Decision No. 11-6, proposed prices, service performance data, and related financial information under seal. *Id.*

In its Notice, the Postal Service proposes a new, simplified two-tiered pricing system. *Id.* at 3. The Postal Service states that under the new pricing structure, the Postal Service would offer a base price that applies to any foreign postal operator in the EMS Cooperative with which the Postal Service agrees to exchange EMS mail. *Id.* at 5. This base price would not vary depending on whether the foreign postal operators are PfP members. *Id.* The second tier would include discounted prices below the base price, which the Postal Service offers to foreign postal operators on a contractual basis. *Id.* These rates would be subject to a maximum discount. *Id.*; *see id.* Attachment 2.

The Postal Service also requests, beginning January 1, 2018, relief from the requirement that it file quarterly updates that list all countries whose designated postal operators fall within each applicable tier of EMS 2 rates. Notice at 8. This requirement is outlined in Order No. 162, which added Inbound EMS 2 to the competitive product list.² The Postal Service states that the new simplified pricing structure renders these quarterly reports unnecessary. Notice at 6.

III. COMMISSION ACTION

The Commission establishes Docket No. CP2017-271 for consideration of matters raised by the Notice and appoints Katalin K. Clendenin to serve as Public Representative in this docket.

The Commission invites comments on whether the Postal Service's filing is consistent with 39 U.S.C. 3632, or 3633, and 39 CFR part 3015. Comments are due no

² Docket Nos. MC2009-10 and CP2009-12, Order Adding Inbound International Expedited Services 2 to Competitive Product List, December 31, 2008, at 9 (Order No. 162).

later than August 24, 2017. The public portions of the filing can be accessed via the Commission's website (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3007.40.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2017-271 for consideration of the matters raised by the Postal Service's Notice.
2. Pursuant to 39 U.S.C. 505, Katalin K. Clendenin is appointed to serve as an officer of the Commission to represent the interests of the general public in this proceeding (Public Representative).
3. Comments are due no later than August 24, 2017.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary